

**MINUTES
CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

Tuesday, March 28, 2006
1001 I Street - Second Floor
Sierra Hearing Room
Sacramento, California 95814

Chairperson Michael Kelley called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:30 p.m.

1. Roll Call.

Michael Kelley represented the Secretary of the Business, Transportation and Housing Agency.
Francisco Lujano represented the State Treasurer.
Anne Sheehan represented the Director of the Department of Finance.
Evelyn Matteucci represented the Secretary of the State and Consumer Services Agency.

2. Executive Director's Report.

Executive Director Stan Hazelroth updated the Board on recent I-Bank activities, including staff participation in the California Municipal Finance Conference, at which he spoke on Public-Private Partnerships, and preparations for bidding the defeasance escrow for the Bay Area Toll Bridges Seismic Retrofit Revenue Bonds. He also announced that the next California Financing Coordinating Committee Funding Fair will be held April 25, 2006 in Sacramento.

3. Consent Items.

Approve minutes from the February 28, 2006 meeting.

Chairperson Kelley asked if there were any corrections or additions to the minutes. There being none, he entertained a motion to approve the minutes. Ms. Sheehan moved to approve the minutes and Mr. Kelley seconded the motion. The Board unanimously approved the minutes from the February 28, 2006 meeting.

Action Items.

- 4.** Adopt resolution approving Infrastructure State Revolving Fund (ISRF) Program financing for the Placer County Redevelopment Agency in an amount not to exceed \$1,500,000.

Ms. Cristia-Plant presented a staff report on the project and introduced Ms. Michele Perez, Senior Redevelopment Specialist for the Placer County Redevelopment Agency. There being no questions from the Board, Chairperson Kelley entertained a motion to approve the resolution. Ms. Sheehan moved to approve Resolution 06-10 and Mr. Lujano seconded the motion. The Board unanimously approved the resolution.

5. Adopt resolution approving ISRF Program financing for the City of Monterey Park in an amount not to exceed \$2,000,000.

Ms. Cristia-Plant presented a report on the proposed ISRF Program financing for the City of Monterey Park and introduced Mr. Ron Merry, Director of Public Works/City Engineer for the City of Monterey Park. Chairperson Kelley asked for any questions or comments from the Board members and the public. There being none, he then entertained a motion to approve Resolution 06-11. Ms. Sheehan moved approval and Ms. Matteucci seconded the motion. The Board unanimously approved the resolution.

6. Adopt resolution approving ISRF Program financing for the City of Sacramento in an amount not to exceed \$4,000,000.

This item was removed from the agenda.

7. Adopt resolution approving an investment policy for I-Bank funds and delegating investment authority to the Executive Director.

Mr. Fowler presented an overview of the process used to develop the investment policy and some of the key provisions in the policy, including the reporting requirements, eligible investments and funds to be invested. Chairperson Kelley asked for any questions or comments from the Board. Ms. Sheehan requested clarification of the format of the reports required by the policy. Mr. Fowler responded that the monthly transaction reports and quarterly investment reports will be included in the briefing binders provided to each Board member. Chairperson Kelley requested an analysis that would show the incremental increase in investments anticipated by the adoption of the investment policy for historical purposes. Mr. Hazelroth responded that staff would prepare such an analysis. Chairperson Kelley entertained a motion to approve Resolution 06-13. Ms. Sheehan moved approval, Mr. Kelley seconded the motion and the Board unanimously approved the resolution.

8. Adopt resolution appointing a firm to serve as investment advisor to the I-Bank

Mr. Fowler presented a staff report outlining the highlights of the Request for Qualifications (RFQ) for Investment Advisor process. The RFQ was sent to 43 firms and responses were received from Public Financial Management Asset Management LLC, Sperry Capital, Inc. and BondLogistix LLC. A careful review of the proposals by a review committee consisting of senior I-Bank staff resulted in the unanimous recommendation of Bond Logistix as the I-Bank's investment advisor. The recommendation was based on Bond Logistix's fee proposal, which was the lowest, and the firm's extensive experience. Chairperson Kelley asked for any questions or comments from the Board. Ms. Sheehan asked why there were just three responses. Mr. Fowler responded that the minimum qualifications were set high, including a minimum of five years of experience in both investment management and the placement of structured investments, a minimum of one million dollars of professional liability insurance and registration with the Securities and Exchange Commission as an investment advisor. Chairperson Kelley entertained

a motion to approve Resolution 06-14. Ms. Sheehan moved approval, Mr. Kelley seconded the motion and the Board unanimously approved the resolution.

Other Business.

Chairperson Kelley called for any other business. There was none.

Public Comment.

Chairperson Kelley called for any public comment. There was none.

Chairperson Kelley adjourned the meeting at approximately 1:45 p.m.